

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Industrial Promotion – Extension of special package of incentives to M/s. United Spirits Limited for their proposed container glass manufacturing project at G. Konduru division of Vijayawada, Krishna District with investment of Rs.1500 crs in phased manner with an initial investment of Rs.615 crores under Industrial Investment Promotion Policy (IIPP) 2010-15, as a Mega Project- Orders - Issued.

INDUSTRIES & COMMERCE (IP) DEPARTMENT

G.O.Ms.No. 13

Dated:10 -01-2012

Read the following:

1. From the M/s.United Spirits Limited.Lr. No. dated:20/12/2011.
2. The State Investment Promotion Committee (SIPC) Meeting held on 27-12-2011.
3. The State Investment Promotion Board (SIPB) Meeting held on 31-12-2011.

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O R D E R:-

M/s. United Spirits Limited informed that M/s. United Spirits Limited is the flagship company The UB group, which is diversified in various businesses across the Globe. Glass bottles are one the key component of packaging for United Spirits Ltd. So far United Spirits has been purchasing bottles from local manufacturers of glass bottles. Due to perennial problem in availability, quality & rising cost, the company has decided to invest in backward integration

2. M/s. United Spirits Limited proposes to setup a container glass manufacturing plant at G. Konduru division of Vijayawada, Krishna District with capacity 200000 MT per annum with investment of Rs. 1500 Cr in phased manner(with immediate investment of Rs.615 Cr) with 20 MW of Captive Power Generation. The proposal is likely to create direct employment of 400 & indirect employment to 600 people.

3. M/s. United Spirits Limited has requested for the following benefits for their project.

- Capital Subsidy up to 25% of the total cost
- 50% cost of external infrastructure for power, water, approach road & other infrastructure on actual basis
- 100 % subsidy on royalty to be paid to government on purchase/extraction of sand for captive consumption for the production of glass
- Land – As USL has decided to procuring land from private owner near G. Konduru division of Vijayawada, Dist Krishna, and seek following rebates on land procurement
 - 100% rebate in land use conversion charges.
 - 100% rebate on stamp duty & transfer duty in registration of land.
- Allocation of 100 acre land of sand mines for captive consumption in an area which has sand deposits suitable for our products
- In case USL plan to buy its own land have sand deposits, 100 % rebate on licensed fee to be paid & speedy approval for sand mining.
- 100% tax break in VAT for 10 years
- Power Subsidy by Re 1/Kwh on the basic cost of power for 10 years.
- Permission to buy power directly from private power producer directly in-case of unavailability of power from state owned Power Corporation.
- 100% rebate in electrical power wheeling charges on EHT/HT transmission, if they use state owned Power Transmission line for the power purchased from a private power producer under Open Access scheme to sale power.
- Allocation of Natural gas at APM prices from state quota in gas.
- Permission to draw 500 KL per day of water from Krishna River associated canals & ground water.

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Declaration of USL project as National Manufacturing investment Zone with special status to USL complex as Mega Industrial park for glass bottle consumers & ancillary industry.

- 50% subsidy from state government on expenses done on training of people.
- To give the Status of allied Industries for food processing & agro based industries to their company

4 In the reference 2nd read above, State Investment Promotion Committee (SIPC) have discussed the proposal and recommended to place the matter before the State Investment Promotion Board (SIPB) with the recommendation of SIPC

- (i) 50% VAT & CST reimbursement for the unit for a period of 5 years from date of commencement of commercial production
- (ii) All other incentives as per IIPP 2010-15 policy

5. In the reference 3rd read above, the State Investment Promotion Board (SIPB) in its meeting held on 31-12-2011 discussed the proposal in detail and decided to extend the following incentives

- (a) 50% reimbursement of Net VAT & CST for the unit for a period of 5 years from date of commencement of commercial production
- (b) All other incentives as per IIPP 2010-15 policy

6. The Government after careful examination of the proposal and keeping in view of the recommendations of the State Investment Promotion Board (SIPB), hereby extend the following incentives to M/s. United Spirits Limited under Industrial Investment Promotion Policy (IIPP) 2010-15, as a mega project.

- (a) 50% reimbursement of Net VAT & CST for a period of 5 years from the date of commencement of commercial production (DCP).

- (b) All other incentives as per IIPP 2010-15 policy, which include:

- (i) 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use
- (ii) 100% reimbursement of Stamp duty on mortgages and hypothecations.
- (iii) Fixed power cost reimbursement @ Rs.0.75 per unit (upper ceiling) on the proposed revised rates (2010-11) for 5 years from the date of commencement of commercial production. In case, decrease in Power Tariff, the reimbursement will be reduced proportionately.
- (iv) 50% Reimbursement of cost involved in skill upgradation and training the local manpower limited to Rs.2000 per person.
- (v) 25% subsidy on specific cleaner production measures limited to Rs.5.00 Lakhs.
- (vi) Infrastructure like roads, power and water will be provided at door step of the industry for standalone units by contributing 50% of the cost of infrastructure from IIDF with a ceiling of Rs.1.00 Crore, subject to (a) the location should be beyond 10 kms from the existing Industrial Estates/IDA's having vacant land/shed for allotment and (b) cost of the infrastructure limited to 15% of the eligible fixed capital investment made in the industry.

9. The industry shall provide atleast 80% of employment to the candidates belonging to Andhra Pradesh State for becoming eligible to the above incentives.

10. The Commissioner of Industries is requested to take further necessary action.
(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**TS APPA RAO,
PRINICIPAL SECRETARY TO GOVERNMENT AND
COMMISSIONER FOR INDUSTRIAL PROMOTION**

To
The Commissioner of Industries, Andhra Pradesh, Hyderabad

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M/s. United Spirits Limited.through the Commissioner of Industries, A.P.
Hyderabad.
The District Collector, Krishna District.

Copy to

The Accountant General, Andhra Pradesh, Hyderabad
The Finance (Exp. I&C) Department. / The Energy Department.
The Chairman & Managing Director, APIIC, Hyderabad
The Irrigation & CAD (Reforms) Dept. /The Revenue (CT) Department.
The Commissioner of Commercial Taxes, Hyderabad
The Chairman & Managing Director, APTRANSCO., Hyderabad
The Managing Director, APCPDC Ltd., Hyderabad
The GM, DIC, Krishna District through the Commissioner of Industries, A.P.
Hyderabad.
P.S. to Minister (Major Industries)/ P.S. to Spl. Chief Secretary, Rev. Dept./P.S. to
Prl. Secy. to
Govt., Rev.(CT) Dept./P.S. to Prl. Secy. to CM/P.S. to Prl.Secy. (Irrigation)
Dept./P.S. to
Spl.CS, Energy Dept./P.S. to Prl. Secy. & CIP/
P.S. to Secretary to Govt. (Legal Affairs).
SC/SF

//Forwarded::By::Order//

SECTION OFFICER